SLR Project No: 720.19136.00010 October 2021

EXECUTIVE SUMMARY

PROJECT BACKGROUND

Hotazel Manganese Mines (Pty) Ltd (HMM), a subsidiary of South32 Limited (South32), owns and operates the underground Wessels Manganese Mine (Wessels Mine) located approximately 15 km north of the town of Hotazel, in the John Taolo Gaetsewe District Municipality (JTGDM) and the Joe Morolong Local Municipality (JMLM), Northern Cape province.

HMM holds and operates in accordance with the following authorisations (attached as Appendix A):

- A Converted Old Mining Right (MR) issued in terms of the Mineral and Petroleum Resources
 Development Act, 28 of 2002 (MPRDA) (Department of Mineral Resources and Energy (DMRE)
 [previously the Department of Minerals and Energy (DME) Ref: 03/2006(MR)] issued on 16 January
 2006; and
- An approved amended Environmental Management Programme (EMPR) issued in terms of the MPRDA [DMRE (previously the Department of Mineral Resources (DMR) Ref: NC30/5/1/2/3/2/1(253) MR] dated 16 March 2018.

The Wessels Mine is located on the farms Dibiaghomo 226, Wessels 227 and Dikgatlong 268 and comprises vertical and incline shafts for access to underground areas, waste rock dump (WRD) and stockpile areas, along with support services and infrastructure. As part of its on-going mine planning, HMM has identified the need to upgrade the existing railway infrastructure at the Wessels Mine. In this regard, HMM is proposing to design a new rail balloon and upgrade the existing railway infrastructure (the proposed project).

SUMMARY OF AUTHORISATION REQUIREMENTS

Prior to the commencement of the proposed project, the following is required:

- An amended EMPR in terms of Section 102 the MPRDA from the DMRE; and
- An Environmental Authorisation (EA) in terms of the Environmental Impact Assessment (EIA)
 Regulations, 2014 (as amended), promulgated under the National Environmental Management Act,
 107 of 1998 (NEMA) from the DMRE.

SLR Consulting (South Africa) (Pty) Ltd (SLR), an independent firm of Environmental Assessment Practitioners (EAPs), has been appointed by HMM to manage the amended EMPR and EA processes.

OPPORTUNITY FOR COMMENT

The Basic Assessment Report (BAR) was distributed for a 30-day comment period from 10 September to 11 October 2021 in order to provide Interested and Affected Parties (I&APs) with an opportunity to comment on any aspect of the Basic Assessment (BA) process and the proposed project. Copies of the full report were made available on the SLR website (www.slrconsulting.com) and the SLR data-free website (https://slrpublicdocs.datafree.co/public-documents). All comments received during the comment period have been included in this revised BAR, which has been submitted to the DMRE for consideration and decision-making. It should be noted that all significant changes to the BAR are underlined and in a different font (Times New Roman) to the rest of the text, for ease of reference and understanding.



SUMMARY OF IDENTIFIED IMPACTS AND SIGNIFICANCE

The potential impacts associated with the project activities and infrastructure can be categorised into those that have very low, low, medium, high, very high or insignificant significance in the unmitigated scenario. A summary of the identified impacts is provided in the table below.

| Aspect | Potential Impact | Cumulative impact significance of the impact | |
|--|---|--|---------------|
| | | Unmitigated | Mitigated |
| Geology | Loss and sterilisation of mineral resources | INSIGNIFICANT | |
| Topography | Altering topography | INSIGNIFICANT | |
| | Hazardous excavations and infrastructure resulting in safety risks to third parties and animals | Medium | INSIGNIFICANT |
| Soil and land capability | Soil erosion | High | MEDIUM |
| | Disturbance of original soil profiles | Medium | VERY LOW |
| | Chemical pollution of soils | Medium | VERY LOW |
| Biodiversity | Physical destruction and disturbance of floral species | Medium | LOW |
| | Physical destruction and disturbance of faunal species | Medium | LOW |
| Surface water | Alteration of natural drainage patterns | INSIGNIFICANT | |
| resources | Contamination of surface water resources | INSIGNIFICANT | |
| Groundwater | Contamination of groundwater resources | INSIGNIFICANT | |
| Air quality | Air pollution | INSIGNIFICANT | |
| Noise | Increase in disturbing noise levels | INSIGNIFICANT | |
| Visual | Negative visual views | INSIGNIFICANT | |
| Traffic | Road disturbance and traffic safety | INSIGNIFICANT | |
| Cultural/heritage and palaeontological resources | Loss of cultural/heritage and palaeontological resources | INSIGNIFICANT | |
| Socio-economic | Inward migration and economic impact | INSIGNIFICANT | |
| | Change in land use | INSIGNIFICANT | |

ENVIRONMENTAL STATEMENT

The assessment of the proposed project presents the potential for negative impacts to occur (in an unmitigated scenario) on the biophysical environments both on the project footprint and in the surrounding area. With the implementation of management actions, these potential impacts can be prevented or reduced to acceptable levels. It follows that provided the EMPR is effectively implemented, there is no reason from a biophysical, cultural/heritage or socio-economic standpoint why the proposed project should not proceed.

